USDA, National Agricultural Statistics Service

Indiana Crop & Weather Report

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CROP REPORT FOR WEEK ENDING JULY 27

AGRICULTURAL SUMMARY

Growth and development of major crops continued to make good progress last week aided by some cooler temperatures, according to the Indiana Field Office of USDA's National Agricultural Statistics Service. Many corn fields have entered or will soon enter the pollination stage of development. Spraying of fungicides and other applications, some aerial, took place in several fields. Baling of hay and straw made good progress. Double cropped soybeans were still being planted in a few northern fields. Spotty showers continued, but rain is needed in some areas as soils are becoming dry. Detasseling continued in some seed corn fields.

FIELD CROPS REPORT

There were 6.0 **days suitable for field work**. **Corn condition** improved and is rated 71 percent good to excellent compared to 50 percent last year at this time. Sixty-eight percent of the corn acreage has **silked** compared with 91 percent last year and 84 percent for the 5-year average. Fifty-two percent of the **soybean** acreage is **blooming** compared with 80 percent last year and 73 percent for the 5-year average. **Soybean condition** improved and is rated 65 percent good to excellent compared with 46 percent last year at this time.

Ninety-eight percent of the **winter wheat** acreage has been **harvested** compared with 100 percent last year and 99 percent for the 5-year average. By area, 97 percent has been harvested in the north, 99 percent in the central region and virtually complete in the south. The second cutting of **alfalfa hay** is 81 percent complete compared with 94 percent last year and 87 percent for the 5-year average.

Major activities during the week included: attending county fairs, reporting crops and signing up at FSA offices, mowing roadsides, scouting fields, spraying herbicides and fungicides, baling hay and straw, cleaning up and repairing equipment, hauling grain to market, and taking care of livestock.

LIVESTOCK, PASTURE AND RANGE REPORT

Pasture condition is rated as 20% excellent, 46% good, 23% fair, 8% poor and 3% very poor. Livestock are in mostly good condition.

CROP PROGRESS TABLE

Crop	This Week	Last Week	Last Year	5-Year Avg
	Percent			
Corn Silked	68	38	91	84
Soybeans Blooming	52	39	80	73
Winter Wheat Harvested	98	94	100	99
Alfalfa – 2nd Cutting	81	62	94	87

CROP CONDITION TABLE

Crop	Very Poor	Poor	Fair	Good	Excel-lent
	Percent				
Corn	3	6	20	51	20
Soybean	3	7	25	51	14
Pasture	3	8	23	46	20

SOIL MOISTURE & DAYS SUITABLE FOR FIELDWORK TABLE

	This Week	Last Week	Last Year
	Percent		
Topsoil			
Very Short	2	2	16
Short	23	14	36
Adequate	72	76	47
Surplus	3	8	1
Subsoil			
Very Short	2	1	28
Short	16	9	39
Adequate	74	76	33
Surplus	8	14	0
Days Suitable	6.0	6.1	5.3

CONTACT INFORMATION

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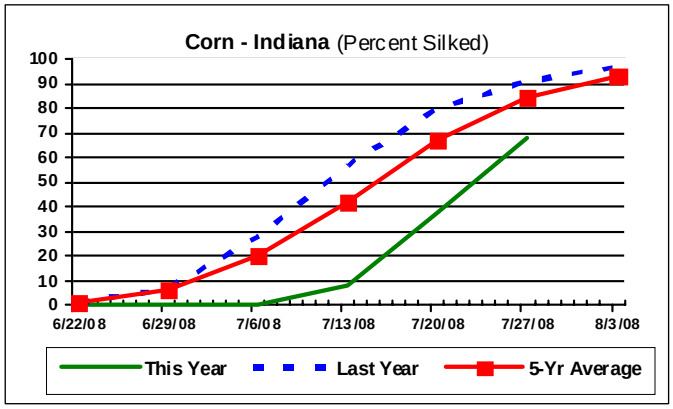
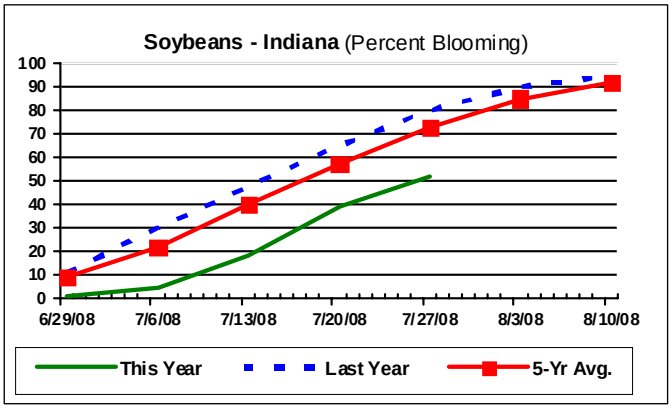
http://www.nass.usda.gov/Statistics_by_State/Indiana/





Other Agricultural Comments And News

Energy and Biofuels

July 2008
Until recently Indiana had little activity in renewable energy and biofuels. Up until 2006, Indiana only had one corn based ethanol plant, which produced about 100 million gallons/year. There was no investment in wind energy, and biogas also had minimal activity. Recently, all this has changed. It is expected that by 2009 Indiana will have about 13 ethanol plants with about 1 billion gallons of total capacity, and 7 biodiesel plants will have 135 million gallons of capacity. Wind energy installations have taken off, and there is now some biogas production from animal manure. For the future, there is potential for cellulose based ethanol and more wind energy.

Corn Based Ethanol
The 2007 energy bill increases the renewable fuel standard (RFS) to 36 billion gallons by 2022. The standard is partitioned among corn ethanol (15 billion), biodiesel (1 billion), and advanced biofuels including cellulose based ethanol (20 billion). By the end of 2008, the national level of corn ethanol capacity could reach 13 billion gallons, close to the 15 bil. gal. RFS. We do not expect to see much significant additional investment in corn ethanol in Indiana.

Associated with the growth of corn based ethanol production in Indiana are far-reaching changes for transportation needs and infrastructure demands. The transportation system built to facilitate the large-scale export of grain from Indiana by unit trains and barge is quickly shifting to a system with a much greater reliance upon trucks for inbound shipments of corn and beans, as well as outbound movements of ethanol biofuels and DDGS.

Cellulose Ethanol
As indicated above, the RFS calls for massive investments in cellulose based ethanol. Indiana is well positioned to produce ethanol from cellulosic materials including corn stover, high yielding grasses (switchgrass), and fast growing trees (poplar). Of these sources under current practices, by far the cheapest is corn stover. We estimate corn stover could be delivered for about $40 per dry ton compared to about $60 for switchgrass. So the state could foresee investments in cellulose ethanol production beginning in areas with high production levels of corn stover.

Biodiesel
Current national biodiesel capacity estimates from the National Biodiesel Board (NBB) indicate the industry can produce 864 million gallons of biodiesel, not far from the biodiesel RFS. In 2006, NBB estimated that the industry produced 250 million gallons. The disparity between production and capacity illustrates the current excess capacity in the industry due to poor economic conditions. The margins for biodiesel are expected to be under severe pressure for the next several years. Given this situation, growth in biodiesel production in the next 3 to 5 years is expected to be very slow, with only a few of the plants currently expected to be built coming to fruition.

Wind Energy and Electricity Issues Important for Indiana Agriculture
Utility scale wind farms have recently become a significant source of stable income for farmers in northern Indiana counties, with Indiana's first wind farm currently beginning production in 2008. This 130 MW Benton County Wind Farm has signed long term power purchase agreements to sell all its output to two of Indiana's electric utilities. Other wind farms are being developed. The upsurge in the construction of wind farms nationwide and in Indiana is a reflection of efforts by electric utilities to have in place non-carbon emitting technologies to meet growing electric demand in the face of expected national legislation to regulate carbon emissions or to meet renewable energy standards. Although Indiana is not as generously endowed with wind energy as some other states, it has the unique advantage of having adequate transmission capacity linking it to major national markets.

Another potential energy related revenue stream for farmers is the conversion of livestock waste into useful energy. At least three dairy farms in Jasper County are already using anaerobic digestion technology to capture the biogas and convert it into electricity. In general these anaerobic digesters are not viable economically if selling electricity to the grid is the main outlet. Substantial investment and scale economies generally are required for such operations.

Prospects for the Near Future
In the energy and biofuels area, the prospects with greatest potential for Indiana are cellulose ethanol and wind energy. Indiana has or could have sufficient cellulose resources to produce 400 million gallons of ethanol from cellulose sources at current conversion yields and 600 million gallons or more with anticipated

(Continued on Page 4)

Weather Information Table

Week ending Sunday July 27, 2008

Station	Past Week Weather Summary Data							Accumulation April 1, 2008 thru July 27, 2008				
	Air Temperature				Precip.		Avg 4 in Soil	Precipitation			GDD Base 50°F	
	Hi	Lo	Avg	DFN	Total	Days	Temp	Total	DFN	Days	Total	DFN
Northwest (1)												
Chalmers_5W	86	52	70	-5	0.46	2		16.42	+1.72	47	1527	-280
Francesville	84	52	70	-3	0.43	2		14.74	-0.04	47	1539	-120
Valparaiso_AP_I	86	55	72	-2	0.02	1		7.04	-8.52	40	1619	-4
Wanatah	86	50	69	-4	0.06	1	80	11.48	-3.62	46	1483	-67
Winamac	85	55	71	-2	0.29	1	71	16.03	+1.25	46	1535	-124
North Central (2)												
Plymouth	84	54	70	-5	0.23	2		13.54	-1.94	49	1519	-211
South_Bend	82	57	71	-3	0.06	1		10.92	-3.57	46	1623	+17
Young_America	84	52	69	-5	0.37	1		19.56	+5.33	47	1587	-108
Northeast (3)												
Columbia_City	85	53	71	-3	0.08	1	63	15.60	+1.05	47	1493	-40
Fort_Wayne	86	55	72	-3	0.41	1		16.12	+2.70	50	1681	-5
West Central (4)												
Greencastle	90	54	71	-5	1.04	3		30.69	+13.89	50	1578	-341
Perrysville	90	52	73	-3	0.66	2	79	22.39	+6.34	49	1781	-16
Spencer_Ag	91	57	73	-2	0.15	1		32.55	+15.38	54	1730	-70
Terre_Haute_AFB	92	54	73	-3	0.07	1		25.16	+8.89	42	1843	-73
W_Lafayette_6NW	87	49	71	-3	0.37	2	73	16.69	+1.93	55	1662	-33
Central (5)												
Eagle_Creek_AP	89	62	74	-2	1.80	2		25.99	+10.88	54	1880	-17
Greenfield	89	58	73	-3	1.04	2		26.62	+10.05	55	1652	-159
Indianapolis_AP	90	61	74	-2	1.02	2		22.10	+6.99	51	1903	+6
Indianapolis_SE	89	54	72	-5	1.50	2		24.21	+8.48	47	1651	-226
Tipton_Ag	88	53	71	-3	0.53	2	79	18.32	+3.42	54	1575	-66
East Central (6)												
Farmland	86	54	70	-3	0.45	1	76	17.22	+2.43	50	1531	-66
New_Castle	86	55	70	-4	1.42	3		23.44	+7.21	52	1536	-95
Southwest (7)												
Evansville	95	60	78	-1	0.18	3		19.91	+4.11	43	2207	-21
Freelandville	93	60	75	-2	0.17	2		23.05	+6.69	46	1928	-54
Shoals_8S	94	54	74	-3	0.95	2		20.64	+2.96	46	1777	-128
Stendal	94	59	76	-2	0.72	3		25.24	+7.75	63	2048	-36
Vincennes_5NE	95	60	76	+0	0.03	1		19.73	+3.37	40	1999	+17
South Central (8)												
Leavenworth	94	58	75	+0	0.75	4		20.49	+2.64	69	2018	+118
Oolitic	91	56	73	-3	0.51	2	78	23.02	+6.27	50	1704	-112
Tell_City	94	60	77	-1	0.19	1		20.01	+2.28	40	2127	+15
Southeast (9)												
Brookville	91	57	74	+0	1.04	3		19.98	+3.87	54	1765	+55
Greensburg	91	58	73	-1	2.65	2		25.27	+9.06	49	1813	+38
Scottsburg	92	58	75	-3	1.13	5		20.11	+3.56	54	1969	+4

DFN = Departure From Normal (Using 1961-90 Normals Period).
GDD = Growing Degree Days.
Precipitation (Rainfall or melted snow/ice) in inches.
Precipitation Days = Days with precip of .01 inch or more.
Air Temperatures in Degrees Fahrenheit.

The above weather information is provided by AWIS, Inc.
For detailed ag weather forecasts and data visit the AWIS home page at
www.awis.com

future yield increases. Adding wood wastes and other resources could mean an industry as large as 1 billion gallons – the size of the corn ethanol industry in Indiana. If other raw materials such as municipal and industrial wastes were used, the increase could be even larger.

There are also prospects to increase the fraction of renewable electricity produced in Indiana using wind energy. Wind, like corn and cellulose ethanol, is not viable with market incentives alone. Either government subsidies or a renewable energy standard or some combination of the two are necessary to foster growth in the industry.

Policy Options and Programs to Foster Development of These Industries

For cellulosic ethanol, the policy options and programs that could be considered include the following:

- Cellulose plants require transportation of massive amounts of cellulosic material to a central plant. To enable this substantial increase in road loads, advance planning will be necessary to enable the plant supply of cellulosic materials.

- Growth of total ethanol consumption much beyond current levels will require investments in infrastructure. One investment that would facilitate expansion of the ethanol market in Indiana would be additional outlets for E85 fuel. Some other states provide tax credits or other incentives to gasoline stations that add E85 capacity. This approach could be considered in Indiana.

- The State of Indiana could consider tax incentives for early investors in commercial scale cellulose biofuels plants if it wants to attract the industry to Indiana.

- For both corn and cellulose ethanol, investments in ethanol transportation infrastructure could be considered.

For renewable electricity generation, the most popular incentive is a renewable energy standard. This incentive guarantees a market to investors in renewable electricity production. Because the states in the Northeast have limited opportunities for renewable electricity generation, yet many have renewable energy standards, Indiana is well positioned to serve this market.

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